

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2411
ANSWERED ON:23.07.2004
LOAN TO MINORITIES BY BANKS
Owaisi Shri Asaduddin

Will the Minister of FINANCE be pleased to state:

- (a) whether the banks are required to submit its report to the Reserve Bank of India with regard to loans/credit to minorities;
- (b) if so, the details thereof;
- (c) the arrangements made for scrutiny of returns and following up work;
- (d) whether the target fixed for this purpose by the nationalised banks during the last three years was achieved; and
- (e) the steps taken or being taken by the Government against those banks who have not fulfilled the target and streamlined the dispersal of loans to minorities ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM)

- (a) & (b) Yes, Sir. All Public Sector Banks (PSBs) are required to submit half yearly returns to the Reserve Bank of India (RBI) on advances to minorities.
- (c) The returns are scrutinized by RBI and deficiencies, if any, are taken up by it with the concerned banks.
- (d) No separate target is allocated to PSBs for advances to minorities. However, banks have to ensure that credit is made available to the members of minority communities in an adequate measure not only in the 44 districts identified by the Government as having concentration of minority communities but also in the country as a whole.

The details of number of accounts and advances outstanding during the last three years in 44 identified districts having concentration of minorities are as under:

(No. of accounts in lakhs) (Rs. in crores)
Year No. of Accounts Advances Outstanding

2000-01	14.52	2498.37
2001-02	19.04	3764.55
2002-03	21.51	5084.28

- (e) RBI periodically reviews the performance of banks in disbursement of loans/advances to the minorities. In case of poor performance, banks are advised to take immediate steps to ensure that the benefits from various developmental programmes flow timely, in a fair and adequate measure to minorities.